

Loans and the PDC's ORCA Software:

Enter the loan when it is **received**:

The screenshot shows the ORCA software interface. The 'Transactions' menu is open, and the 'Loans' option is selected. The 'Enter Loan' form is displayed, showing fields for Lender Name, Loan Amount, Date Received, Election, Interest Rate, Due Date, Check No. (optional), Repayment Schedule, and Memo (optional). The 'Payments' tab is active, showing a table with columns for Amount, Date, and Account. The 'Loan Balance' is displayed at the bottom right.

Make the deposit and file the C-3 report, which will include a Schedule L. Once a loan is entered, each C-4 report filed through the end of the campaign will include a Schedule L.

Return to the Loan screen to record **payments** or when the loan is **for-given**.

The screenshot shows the 'Payments' tab in the ORCA software interface. A callout box with an arrow points to the 'Click to enter activity.' text in the table header.

The screenshot shows the 'Bank Account' form in the ORCA software interface. It includes fields for Bank Account, Principal Paid, Date Paid, Check No. (optional), Interest Paid, and Memo (optional). The 'OK' and 'Cancel' buttons are at the bottom.

Enter the payment date and amount.

Payments will appear on the C-4, Schedules A and L.

Frequently Asked Questions:

- Q Can I be repaid if the money I loaned my campaign was reported as a candidate's personal contribution instead of loan?
- A You can amend your report to show the money was a loan and be repaid, PROVIDED that a written loan agreement was prepared when the loan was made.
- Q Can my spouse loan money to my campaign?
- A Are you running for an office subject to contribution limits? If so, your spouse must abide by the limit and any loan will count against the limit.
- If you are running for an office that is not subject to limits, your spouse may lend your campaign unlimited amounts of money. Keep in mind though, that (1) the candidate who selects mini reporting is self-imposing a limit and (2) there is a timing provision that prevents any person, except the state committee of a bona fide political party, from contributing or lending a campaign more than \$5,000 during the last 3 weeks before the general election.

- Q What are "personal funds" of a candidate?"
- A Because a candidate is not subject to limits like a spouse is, the Commission has determined the candidate's personal funds include:
- Absent a legally specified division, half of jointly-owned assets (such as a joint bank account),
 - Employment income, and
 - Investment dividends/proceeds.
- See [WAC 390-17-305](#) for the complete list.



CAMPAIGN LOAN\$ October 2014

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Candidates and political committees may accept campaign loans. To qualify for repayment, a monetary or in-kind loan must be:

- ☑ Recorded in a written loan agreement executed when the loan is made, and
- ☑ Timely and accurately reported as a loan on the recipient's PDC reports.

Loan Limits:

A **candidate** may be repaid up to \$5,500 per election for a personal loan to his or her campaign. A commercial loan to a candidate's committee is presumed to be guaranteed by the candidate, absent clear, cogent and convincing evidence proving otherwise.

Contribution limits apply to loans **other lenders** make to candidates, political parties, and caucus committees. See the PDC's [Contribution Limits Chart](#) for current limits.

The limits of the **mini reporting** option trump any other limit, if the loan recipient has registered under mini reporting.

Loan Terms:

Terms, such as interest rate, payment intervals and amounts, and due date, are up to the lender and candidate or political committee officers. Terms may be renegotiated during the life of the loan, upon the mutual consent of the parties.

The due date may be a date certain or a flexible date, such as "when funds are available."

All terms agreed to, including any changes in terms agreed to by the parties, must be set out in a written loan agreement or a written amendment to the agreement.

Loan Agreement:

A written loan agreement signed by the lender and campaign treasurer is required for each **monetary** loan. The Commission recommends the format shown below.

A receipt for out-of-pocket expenditures will suffice as the loan agreement for an **in-kind** loan, provided it contains the date the expenditure was made, the amount to be repaid, and is signed by both the campaign treasurer and the spender.

Loan agreements are part of the campaign records and should be included with the books of account when making them available for inspection.

Repaying Loans:

Timely and accurately report expenditures made to repay loans. Also report when a lender forgives any portion of a loan.

If a third person repays any portion of a campaign loan, that person has made an in-kind campaign contribution subject to applicable contribution limits. The loan payment/in-kind contribution must be timely and accurately reported.

A candidate or single-year campaign is allowed to carry unpaid loans forward to a future campaign. The carry forward is shown on the current committee's final C-4 report as well as the new committee's first C-4 report. Carrying a loan forward does not impact the lender's contribution limit for the new campaign.

SAMPLE LOAN AGREEMENT	
I, <i>[name of lender]</i> , hereby loan the sum of \$_____ to <i>[name of campaign]</i> .	
<i>[Name of campaign]</i> agrees to repay <i>[name of lender]</i> the principal amount of \$_____ together with <i>[simple or compound]</i> interest at the rate of ____%.	
<i>[Describe payment intervals, if part of the repayment terms.]</i>	Payments in the amount of \$_____ are due <i>[describe payment intervals (example: on the 15th day of each month beginning on MM/15/YY and continuing thereafter on the 15th day of each month until paid in full)]</i> .
OR	
<i>[Describe repayment due date if payment intervals are not part of the terms.]</i>	<i>[Name of campaign]</i> agrees to repay the principal amount (and interest), in full, on or before MM/DD/YY.
_____ Signature of Lender Date signed: _____	_____ Signature of campaign treasurer Date signed: _____

Find more information about campaign loans in:

[PDC Interpretation 14-01](#), **Campaign Loans**, and
[PDC Interpretation 12-01](#), **In-Kind Loans, Pledges, and Disclosure of Contributions on 21- and 7-Day Pre-Election Reports**.